

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
Tax-Exempt Bond Project
December 8, 2021**

Woodward Family Apartments, located at NE Corner of Woodward Avenue & E. Swift Street in Orland, requested and is being recommended for a reservation of \$955,782 in annual federal tax credits and \$1,830,000 in total state tax credits to finance the new construction of 35 units of housing serving large families with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 3 and Assembly District 4.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes funding from the MHP program of HCD.

Project Number CA-21-673

Project Name Woodward Family Apartments

Site Address: NE Corner of Woodward Avenue & E. Swift Street
Orland, CA 95963 County: Glenn

Census Tract: 101.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$955,782	\$1,830,000
Recommended:	\$955,782	\$1,830,000

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant: Butte Co. Affordable Housing Development Corp., a CA nonprofit
Contact: Edward S. Mayer
Address: 2039 Forest Avenue
Chico, CA 95928
Phone: 530.895.4475
Email: edm@butte-housing.com

General Partner(s) or Principal Owner(s): TPC Holdings IX, LLC
Butte Co. Affordable Housing Development Corp., a CA nonprofit

General Partner Type: Joint Venture

Parent Company(ies): The Pacific Companies
Butte Co. Affordable Housing Development Corp., a CA nonprofit

Developer: Pacific West Communities, Inc.

Bond Issuer: California Municipal Finance Authority (CMFA)

Investor/Consultant: Boston Financial

Management Agent: Buckingham Property Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	3
Total # of Units:	36
No. / % of Low Income Units:	35 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (35 Units-100%)

Information

Housing Type:	Large Family
Geographic Area:	N/A
TCAC Project Analyst:	Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 18	51%
50% AMI: 17	49%

Unit Mix

24 2-Bedroom Units
12 3-Bedroom Units
36 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
9 2 Bedrooms	30%	\$471
14 2 Bedrooms	50%	\$785
9 3 Bedrooms	30%	\$543
3 3 Bedrooms	50%	\$906
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$405,000
Construction Costs	\$12,968,116
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$800,000
Soft Cost Contingency	\$120,000
Relocation	\$0
Architectural/Engineering	\$495,000
Const. Interest, Perm. Financing	\$861,000
Legal Fees	\$50,000
Reserves	\$145,598
Other Costs	\$888,789
Developer Fee	\$2,397,445
Commercial Costs	\$0
Total	\$19,130,948

Residential

Construction Cost Per Square Foot:	\$367
Per Unit Cost:	\$531,415
True Cash Per Unit Cost*:	\$525,931

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
California Bank & Trust -TE	\$10,000,000	California Bank & Trust - TE	\$2,500,000
California Bank & Trust	\$5,700,000	HCD - MHP	\$6,905,287
Deferred Costs	\$145,598	Deferred Developer Fee	\$197,445
Deferred Developer Fees	\$2,397,445	Tax Credit Equity	\$9,528,216
Tax Credit Equity	\$887,905	TOTAL	\$19,130,948

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,380,416
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$23,894,541
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$955,782
Total State Credit:	\$1,830,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,397,445
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.83992
State Tax Credit Factor:	\$0.81992

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions:

The applicant has requested the use of a CUAC utility allowance. CTCAC staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.